



Retiree News

Winter/Spring 2009

Retirement Board

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Changes to Income Tax Withholding Tables

New income tax withholding tables will become effective April 1, 2009, which may reduce the amount currently being withheld from your PERS benefit check. The new tables, provided by the Department of Treasury, reflect the Making Work Pay credit and other changes resulting from the American Recovery and Reinvestment Act of 2009.

Your income tax withholding will be automatically adjusted with your April 2009 benefit check based on the instructions we currently have on file for you. You will need to provide PERS with new withholding instructions in writing if you wish to have withholding at an amount other than what the new tables indicate.

Although the new tables may result in lower withholding during the tax year, your individual tax liability may not change. Consult a tax professional or visit the IRS website at www.irs.gov for more information.

Economic Impact of Nevada PERS

Recently, Nevada Public Employees' Retirement System (PERS) participated in an economic impact study with the National Institute on Retirement Security. This study details the economic impact Nevada PERS pension benefits have on our state. This study reaches far beyond the public employees (active, inactive, and retired) who provide valuable and essential functions in the state. The economic study reveals the multiplying effect pension benefits spent in our state have on the state's overall economy.

Key findings:

- Nevada PERS paid more than \$981 million in pension benefits last year.
- Expenditures resulting from Nevada PERS pension payments supported more than \$390 million in income for state residents other than Nevada PERS retirees.
- More than 5,700 private sector jobs statewide can be attributed to Nevada PERS pension payments.
- Nevada PERS pension payments supported more than \$1 billion in total economic output in the state and more than \$433 million in value added.
- Payments made to Nevada PERS retirees supported more than \$196 million in federal, state, and local tax revenue.
- Each dollar paid out in pension benefits to Nevada PERS retirees residing in the state supports \$1.28 in total economic output in Nevada.
- Each dollar in taxpayer contributions to Nevada PERS supported \$6.21 in total economic output in Nevada.

For more detailed information regarding the results and to view the complete study on the economic impact of Nevada PERS, please visit our website at www.nvpers.org and click on the [Important New Information](#) link.

2008 ANNUAL REPORT SUMMARY

Each year the Public Employees' Retirement System of Nevada publishes an annual report, which is submitted to the Governor, members of the Nevada Legislature, public employers, as well as employee and employer associations. The following pages include some of the pertinent information contained in the 2008 annual report. Any member who would like a copy of the report should contact the Public Employees' Retirement System.

Legislature

The Nevada Legislature convenes on a biennial basis in odd-numbered years. During the interim between legislative sessions, PERS worked with legislative staff on pension-related issues. Following the 2007 legislative session, the Retirement Board reviewed the System's Official Policies and determined that no changes were necessary as a result of legislative action.

System Governance

During this past year the Board completed a self-assessment process with the assistance of executive staff and a consultant. The Board also completed a review of compliance with the governance policies. The review covered more than 100 separate provisions of the governance policies. The compliance review report concluded that the Board and staff are adhering to the spirit and letter of the governance policies. No major exceptions were identified.

Operational Initiatives

Operations of the System are conducted in accordance with the Operational Yearly Plan. This plan is designed to organize all agency functions by department and to ensure that all duties are performed within the fiscal year. PERS' performance is measured, in part, by total member and retiree workload. During fiscal year 2008, the System completed approximately 92,500 pieces of work. Of this group, 74,000 were directly related to customer requests, with the remainder relating to back office support. Approximately 92% of all work was performed within the ten working day benchmark.

Information Technology

The System continued to work to improve the functionality of the website for our members, retirees, and employers. On-line programs were developed for PERS' service retirement, disability retirement, and purchase of service programs.

Strategic Planning

Annually, the Retirement Board reviews the System's strategic plan for updates, including both additions and deletions. Beginning in 2006, after research in strategic planning within the public pension community, the strategic plan for Nevada PERS was significantly modified to better reflect the core nature of the business of the agency. This new format proved helpful in the fiscal year 2008 revision to the strategic plan which included the following sections: Introduction, Mission, Philosophy, Core Values, Organization and History, Goals and Objectives, Strategies, Internal Assessment, External Assessment, and Performance and Caseload Indicators. Language was modified in the Internal Assessment and External Assessment sections to include progress updates on legal management and information technology as well as a section on social investing issues. The updated Strategic Plan is available on PERS' website.

Retirement System Statistics from 2008 Annual Report

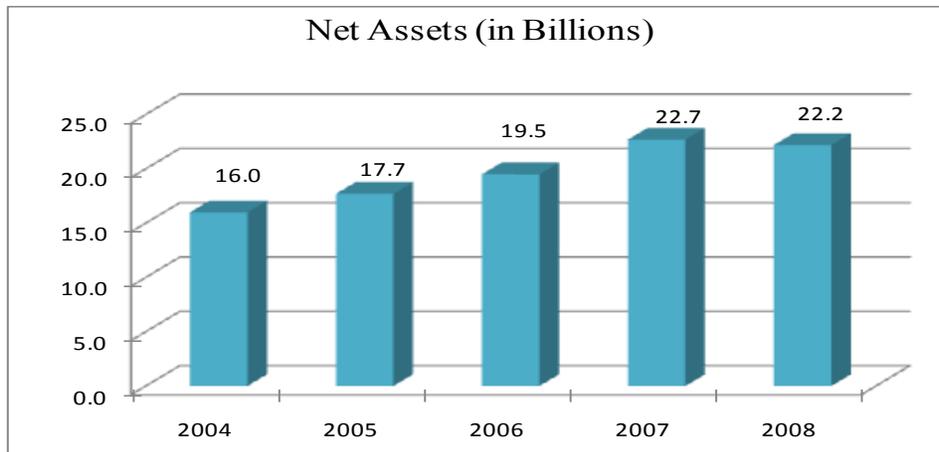
Our motto at PERS is "Dedicated to Those Who Serve Nevada." To that end, during fiscal year 2008 we:

- Answered 126,434 telephone inquiries from members and benefit recipients
- Received 496,645 hits at the PERS website
- Responded to more than 2,069 emails
- Provided individual counseling to approximately 11,411 members and benefit recipients
- Conducted 198 informational programs that were attended by more than 9,704 PERS members
- Processed 2,936 retirement, survivor, and disability benefit applications
- Made benefit payments to approximately 38,000 beneficiaries with a total annual benefit payroll exceeding \$1 billion
- Hosted an employer conference that was attended by 146 representatives from 74 employers

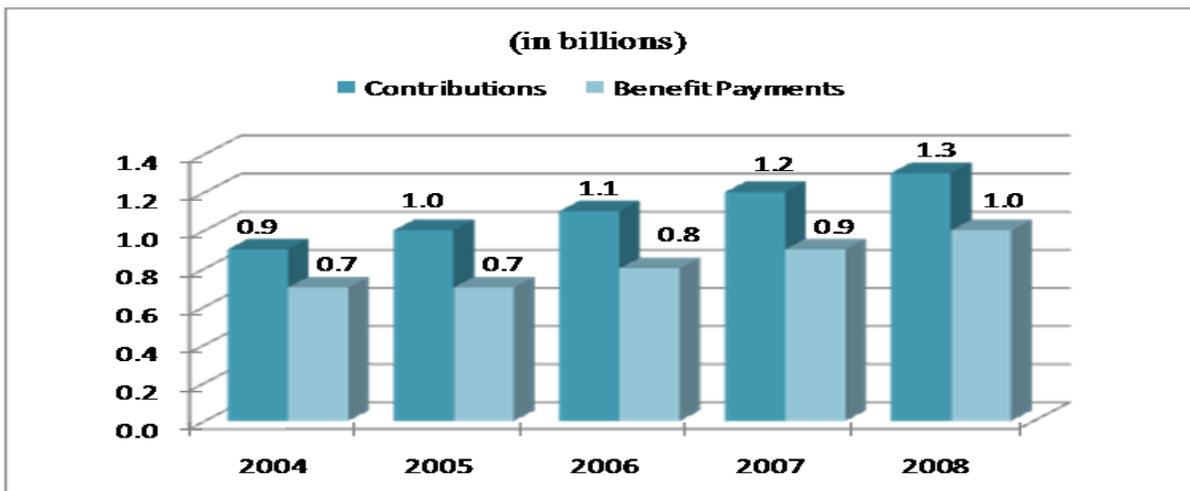
Financial Highlights

	June 30, 2007	June 30, 2008
Total Investments	\$22.7 billion	\$22.2 billion
Actuarial Valuation	77.2%	76.2%
Total Contributions	\$1.2 billion	\$1.3 billion
Benefit Payments	\$900 million	\$1.0 billion
Refunds of Contributions	\$17.4 million	\$16.8 million

Although the PERS investment program was unable to generate the 8% actuarial goal for fiscal year 2008, the fund did outperform its market objective and ended this year with approximately \$22.0 billion in investment assets, as compared to fiscal year 2007's \$22.8 billion. After four consecutive years of positive investment returns, due to the weakening economy and severe credit market crisis, PERS posted negative results. However, this single year does not harm the long term health or viability of the program.



The State of Nevada as a whole continues to experience steady growth. Contributions have grown along with this trend. Fiscal year 2008 contributions increased 10.5% from the previous year. Other income decreased 27.4% from 2007. Most of this change can be attributed to a decrease in purchases of service between the two years.





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Average Benefit Payments

<u>June 30</u>		<u>Regular Members</u>	<u>Police/Fire Members</u>
1999	Average monthly benefit	\$1,540	\$2,333
	Average monthly compensation at retirement	\$3,743	\$5,052
	Number of new retirees	1,404	188
	Average years of service at retirement	19.30	20.27
	Average age at retirement	58	53
2008	Average monthly benefit	\$2,306	\$3,740
	Average monthly compensation at retirement	\$5,054	\$7,458
	Number of new retirees	2,710	345
	Average years of service at retirement	19.04	22.30
	Average age at retirement	60	55

This publication is intended to provide general information. If there is any conflict between this information and Nevada laws or PERS policies, the laws and policies will supersede this information. *Retiree News* is a quarterly newsletter for retired members and benefit recipients of the Public Employees' Retirement System of Nevada. Comments or suggestions may be directed to: PERS, Newsletter, 693 W. Nye Lane, Carson City, Nevada 89703